

BILL ANALYSIS

Senate Research Center
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S.B. 2279
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Jurisprudence
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under the Business & Commerce Code, there exist a number of provisions under which the attorney general is authorized to seek civil penalties against persons or organizations for fraudulent and abusive business practices or for engaging in business practices that are specifically prohibited. In most cases the lawsuit results in settlements with requirements that the attorney general be reimbursed for investigative and other fees. When individual victims are identified, the settlements generally provide for restitution of affected customers. The remaining civil penalty, if any, is directed into the state treasury and may be used in subsequent years for appropriations.

As proposed, S.B. 2279 directs that the net funds received after payments to the Office of the Attorney General and restitution to affected parties be transferred to the Texas Supreme Court to fund civil legal aid.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 402.007, Government Code, as follows:

Sec. 402.007. New heading: PAYMENT TO TREASURY; ALLOCATION OF CERTAIN PENALTIES. (a) Creates this subsection from existing text.

(b) Requires the comptroller of public accounts to credit to the judicial fund for programs approved by the supreme court that provide basic civil legal services to the indigent a civil penalty that is recovered in an action by the attorney general under a provision of the Business & Commerce Code and paid into the state treasury, less any amount authorized by law to be retained by the attorney general, unless another law requires that the penalty be credited to a different fund or account.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2009.